

PRESENT: David E. Barboza, Chairman; Diane C. Mederos, Kenneth A. Marshall, Raymond Cordeiro, Mary A. Parella, Halsey C. Herreshoff (arrived at 7:00 o'clock PM) David S. Frerichs, and Catherine A. Tattrie

ABSENT: Frank J. Alfano

ALSO PRESENT: School Committee Members Paul Silva, John Bento, Paul Brule, Denise Arsenault, Diana Campbell, Karen Lynch, Marjorie McBride, and John Saviano; Melinda Thies, Superintendent of Schools; Mario Andrade, Assistant Superintendent; Pauline Silva, Director of Administration and Finance; Deborah Gist, Commissioner of Education; Carolyn Dias, Department of Education Chief Financial Officer; Cindy Brown, Department of Education Assistant.

The Bristol Warren Regional School District Joint Finance Committee met in regular session on Thursday evening, March 25, 2010 beginning at 5:15 o'clock in the Mt. Hope High School Auditorium, Chairman Barboza presiding:

Prior to the commencement of this evening's regular agenda, Chairman Barboza introduced the members of the Joint Finance Committee and other officials present. He also noted that Commissioner Gist was present and would be making a presentation concerning the proposed State Aid to Education formula proposed by her office.

Commissioner Gist noted that the formula is consistent with the Department of Education's guiding principles; these being the Core Instructional Amount, the Student Success Factor and the State Share Ratio.

She also noted that the Core Instructional Amount being the cost for a basic education in Rhode Island is \$8295 and that this amount covers the instructional costs; explaining that this amount does not cover all of the costs.

Commissioner Gist explained that the Student Success Factor considers special needs, non-English proficiency, poverty, etc, and that the State Share Ratio considers the community's ability to pay.

Commissioner Gist explained that there are further financial considerations outside of the formula these being extraordinary needs (those requiring \$100,000 costs per student), career and technical, Pre-K demonstration, and the State stabilization of Central Falls; phasing-in of local funding.

She noted that the formula as proposed benefits 71% of the students in Rhode Island and further informed those present that the funding will be downward for Bristol Warren.

Commissioner Gist noted that the Department of Educations' website offers a subscription for e-mail news and that persons may register at

the web address www.ride.ri.gov/ride/subscribe.aspx

Chairman Barboza thanked Rep. Raymond E. Gallison for arranging Commissioner Gist's presence this evening.

Chairman Barboza also noted that the change to the State funding formula has been pending for a long time and asked to know if the impetus for the new formula was "Race to the Top." He noted that the regionalized districts appear to have been "hit the hardest" by the proposed formula and that the District is now in its twelfth (12th) year and successful after being a "mess."

Chairman Barboza stated that the District was "brought around 180 degrees" and that all schools are high-performing, its finances are stable, and the district is a "model" for other school departments. He further stated that it appears that the District is being punished for its success and that a cut of \$9.1 million will "kill the District."

Commissioner Gist replied that "Race to the Top" was not the impetus for the proposed funding formula and that the formula is intended to equalize the distribution of funding that is critical to the State's education.

Commissioner Gist reported that she had "amazing interaction" with the Bristol Warren District and is aware of its quality increases. She noted that no one wishes to change the formula to punish or remove

funding from anyone but rather to distribute the available funding more equitably.

Commissioner Gist noted that she was aware that Bristol Warren was “locked in” at the higher rate due to an earlier agreed upon regionalization bonus and that that bonus was not permanent. She further stated that she believed that the bonus comes in the form of cost efficiencies realized due to the regionalization and that the efficiencies alone should be the incentive.

Chairman Barboza stated that a study revealed that the District does benefit from economies of scale but that any new formula should benefit the regional districts also. He also noted that Bristol invested heavily in its school buildings recently and that the debt service is very high. He added that there must be a better way of treating the Bristol Warren District than cutting \$9.1 million particularly since the District has become a model and that the proposed formula will likely have serious negative impacts upon the progress made.

Commissioner Gist responded that she acknowledges the good work of the District but also noted that the District spends nearly \$2,000 more per student than the State average. She further noted that the extra funds provided by the State to the District do not seem fair or equitable.

Commissioner Gist also noted that there will be a “uniform chart of

accounts” applied State-wide and that the Department of Education will provide technical assistance. She added that the new funding formula proposed by her office considers a ten (10) year phase in thus minimizing any sudden change. She also noted that there is a funding formula proposed by a particular House of Representatives bill that suggests a three (3) year phase in.

Ms. Tattrie asked if there was a “special account” to fully fund disabled students needs with Commissioner Gist responding that the State will provide “a pot of money” for this purpose and that she was uncertain at this time how the fund would work. She also noted that the Towns would have to pay the initial basic per-student cost regardless of the State support for the special needs students.

Ms. Tattrie asked to know how the funding formula will impact the tuitions for career and technical education with Commissioner Gist responding that the regulations for these areas are out of date and that the funds will be made available through an application process. She added that Bristol Warren does not have a direct access to Davies Technical School and must therefore pay tuition for its students. She suggested that the career and technical availability and costs should be the same State-wide.

Mr. Cordeiro asked what he might be able to tell families in Bristol and Warren were the district to lose \$9.1 million and taxes must be raised to replace same. He also stated that he was concerned that

the proposal carries a negative message in that schools are punished for doing well.

Commissioner Gist responded that she suggests that Mr. Cordeiro should inform his constituents that Bristol Warren spends \$2000 more than the State average per student and that some communities spend \$4000 more than the State average. She also explained that the BEP (basic education plan) provides for a quality education.

Ms. Parella thanked Commissioner Gist for her attendance this evening and noted that she was aware of many suggested funding formulae. She also noted that the “issues” are tax capacity, the collapse of the real estate market, the struggle of the elderly to maintain their residences particularly when they own property and have minimal income, and the problems of the unemployed who also may own property but have minimal income.

Ms. Parella also stated that she is personally frustrated by the situation proposed since the suburban school districts are typically more fiscally responsible than the urban ones. She also stated that the Town of Bristol was asked by State officials to regionalize with the Town of Warren since that Town could not maintain its high school program and that the financial arrangement came later during the Sundlun administration.

Commission Gist responded that the “tax capacity” is derived by the

assessed value and the median family income. She also noted that some of the data was based upon 2007 figures which need to be updated.

Mr. Frerichs stated that he was “proud” of the school system and asked if Commissioner Gist might provide information as to where the School District could make cuts.

Commissioner Gist stated that she could not answer this question at this time but that she expected to have a “clearer window” at the end of the summer. She also stated that Bristol and Warren should be proud of its school system and that she also does not want the District to change.

Ms. Tattrie expressed concern that State regulations provide for salary step increases in addition to salary scale increases.

Ms. Mederos asked to know if Commissioner Gist was aware that the State plans to provide less revenue via the motor vehicle excise tax phase-out program; this meaning an additional revenue loss for the cities and towns. She asked to know if the new aid to education formula might be phased-in over a longer period of time in order to “smooth out” the impact.

Commissioner Gist responded that the ten (10) year phase in was a recommendation and that the General Assembly could adjust this

timing. She repeated that the House Bill from last year proposed a three (3) year phase in and that this ten (10) year phase in was easier on those cities and towns facing a reduction in revenue.

Chairman Barboza asked to know if the formula considers those students in private or parochial schools with Commissioner Gist responding that the only portion included in the formula is the cost of text books; this being minimal.

Mr. Marshall stated that he was of the opinion that the proposed formula puts the District “in jeopardy” and noted that some of these districts may wish to “secede” and change to “charter” schools.

Commissioner Gist responded that she is aware that Bristol Warren is “high performing” and that she has had “great visits” and does not wish for this to change. She also noted that “charter” schools are funded under the same formula.

Mr. Silva thanked Commissioner Gist for her comments and expressed concern that the increases in local support will exceed the cap of Senate 3050. He also noted that Bristol Warren appeared to be penalized in this formula.

Mr. Marshall asked if the new formula considered the cost of infrastructure with Commissioner Gist responding that capital costs were considered.

Mr. Saviano stated that citizens are already “taxed-out” and that regional school districts are different from cities and towns since the school districts are directly responsible to pay their capital improvement bonds.

Superintendent Thies expressed concern that Senate 3050 does not allow for the increases necessary to shift the funding from the State to the local government with Commissioner Gist responding that she does not suggest additional taxation but rather suggested that there should be a reduction in spending.

Superintendent Thies stated that the School District must already pare-down its expenses but that she did not think that a \$1 million reduction was possible.

Commissioner Gist noted that the School District has a \$1 million surplus. She also stated that the Towns should keep in mind the proposal to reduce state aid by \$18 million over three years. She also noted that other towns/districts were worse off.

Superintendent Thies stated that the \$1 million surplus is needed as cash flow and for emergencies with Commissioner Gist responding that other districts do not have this “cushion.”

Superintendent Thies also noted that the School District has an AA

bond rating and that this was due to its sound fiscal management. She further categorized the proposed state aid funding formula as punitive.

Commissioner Gist reported that the formula does not penalize and added that the District likely has reserves because it received additional funding.

Superintendent Thies stated that the proposed funding formula “breaks the contract” between Bristol, Warren and the State and does damage to the concept of regionalization overall.

Chairman Barboza thanked Commissioner Gist and her assistants for their attendance and ordered a brief recess.

(Mr. Herreshoff arrived at this point in the meeting 7:05 o'clock PM)

Chairman Barboza reconvened the meeting at 7:09 o'clock PM.

He noted a large number of persons in attendance this being a departure from the typical attendance at Joint Finance Committee meetings.

Chairman Barboza led the assembly in the Pledge of Allegiance to the Flag.

Chairman Barboza noted that the Bristol Warren Regional School District was one to be proud of with High Performing and Commended Schools, and improving student retention rate, fiscal stability, superior buildings, and championship athletic teams. He also noted that the District's schools are considered as "models" for the State. He noted that despite all of these accomplishments the State Department of Education is attempting to "chip away" at the District through its proposed aid to education formula – planning to deduct \$9 million over ten (10) years. He also noted that it is the responsibility of the Joint Finance Committee to adequately fund the District at a rate affordable to the taxpayers.

Chairman Barboza also noted a letter appearing in the local newspapers from School Committeeman Bento criticizing the Joint Finance Committee for planning only one meeting. Chairman Barboza explained that "the reality" was that the Joint Finance Committee is a large group and that all members were not available at the same time in order to have a second meeting. He further noted that he would allow sufficient time this evening to hear from the interested parties and allow members to speak also.

Chairman Barboza also reported on the earlier portion of the meeting and the presentation from Commissioner Gist; noting that appeals for reconsideration of the State's plan to "decimate" State Aid revenues coming to Bristol Warren appeared to "fall on deaf ears."

Chairman Barboza also reported that the State is already planning to provide less aid than promised leaving the towns already facing a shortfall before considering the effects of the proposed state aid formula.

Chairman Barboza also informed those present that the Joint Finance Committee cannot compel the School Committee to spend their appropriation any certain way but rather provides a “bottom line” figure only.

School Committee Treasurer O'Dell credited the school administration for the healthy state of the School District's finances after “spitting blood” for twelve years. He also commented on the proposal of Commissioner Gist with Chairman Barboza thanking Mr. O'Dell for his comments and suggesting that these should be sent to the Commission.

Mr. O'Dell also noted that there were difficult fiscal issues facing the School District and that there was a “tough ride” ahead.

Superintendent Thies thanked the Joint Finance Committee for its support and its understanding of the investment made in the youth of the community. She also stated that she was proud to be Superintendent of Schools and that she was aware of the fiscal challenges facing both Bristol and Warren and that the various parties must work as a team to face the challenges.

Superintendent Thies also acknowledged the presence and contributions of the School Committee and also the parents and students. She noted that there has been significant progress and that the schools are looked upon as a model. She also noted that all involved should be proud to have delivered continuous improvement in a fiscally responsible manner.

In a Power-point presentation, Superintendent Thies shared goals, strategic plan, etc.; noting that Ms. Mederos was part of the Strategic Planning Committee.

Superintendent Thies reported that all schools are high-performing and some are commended and that the graduation rate has increased 12% in two years. She also reported that there have been proficiency gains as reported by the NECAP report from 2005-2009 as follows:

- Reading 12%**
- Math 10%**
- Writing 30% (in a single year)**

She also reported that Mt. Hope High School is third in the State behind East Greenwich (1) and Classical (2) and that this was cause for celebration.

Superintendent Thies noted that Mt. Hope High School senior Abigail

Carney received a national award for sculpture.

Superintendent Thies explained that the District offers a comprehensive program allowing students to excel and also reviewed the District's partnerships with other local institutions. She recognized teacher and principal achievements.

Superintendent Thies noted extra programs to move ahead student achievement including learning opportunities, collaborations, etc., district achievements, projects, efficiencies, unfunded mandates, operational expenses; noting that many of these are non-discretionary including FICA, etc. She also explained that of the non-fixed expenses some are more flexible than others.

Pauline Silva explained the “nuts and bolts” of the budget and noted that the District has five (5) years of clean audit reports. She also reported that 2% of the budget is for cash flow and 2% is for emergencies. She also reported that the district has an A2 Bond Rating and that some of the District's bonds were refinanced in order to save money.

Ms. Silva noted a reduction in State aid, explaining that this is expected to total \$1.4 million. She also explained that the reorganization of the administration allowed for a savings of \$186,000 and that overall savings were identified at \$461,000.

Ms. Silva explained that salary increases impacted the budget by \$1 million and that there is a planned staff reduction of 43.98 full-time equivalent personnel with more to come.

Ms. Silva reported that the increase in the cost of employee benefits has averaged 6% over five years with a plan redesign and increase in employee co-payments between 30% and 40% allowing for a savings of \$99,000 in fiscal year 2011.

Ms. Silva reported that coordination of benefits saved \$1 million; contract services increased by \$137,000, out of district transportation increased by \$119,000 and that the budget contributes \$0 to the asset protection/improvements plan.

Ms. Silva referred to the “blue sheet” provided in the packet of materials and reminded those present that S3050 allows for a maximum increase of 4.5%.

Chairman Barboza noted a discrepancy in some of the figures provided in the handout with Ms. Silva agreeing to review same and provide a response concerning same at a later date.

Ms. Silva also noted a shift in student population and suggested that those present should examine the information provide on the “pink sheet.”

It was noted that if the District were to receive the full amount allowed by S3050, it would face an overall decrease of \$1.35 million due to the anticipated reductions in State aid.

Superintendent Thies noted that fiscal “threats” to the District include a FY 2010 supplemental reduction of \$562,000, a 6% State revenue reduction, a reduction in State housing aid, and the funding formula as proposed by Commissioner Gist.

She reported that this reduction means a cut in art, music, FACS, technical education, foreign language, and business; elimination of student support programs in literacy and mathematics; middle school interscholastic sports, reduction in high school athletics, elimination of extended day and summer programs at the elementary and middle school level, and increase in class size. She further reported that most of the reduction will be at the high school level and that no one wants this to happen.

Chairman Barboza stated that what might be an appropriate sum of money for the School District is a reflection of the financial condition of the Towns and not a reflection of the schools’ performance. He also explained that both Towns were facing reductions in State revenue sharing also and that their capital improvement programs were minimal.

Mr. Cordeiro stated that he would have liked for Commissioner Gist to

remain at this meeting and hear the presentations.

Ms. Parella stated that the information provided by Commissioner Gist “didn’t fly” and that the “bottom line” for the State aid formula rests with the General Assembly. She suggested that those present should contact their legislators and express their concern for the State aid formula.

Mr. Herreshoff stated that it might be helpful to summarize that of the School District’s budget of approximately \$50 million; 40% comes from State funds, 40% comes from the Town of Bristol and the remaining 20% comes from the Town of Warren. He added that the proportional amount coming from the Towns is fair since this is based upon the number of enrolled students.

He also noted that the amount coming from the State remains unknown at this time; requiring the School Committee and Joint Finance Committee to make an assumption that this yet to be identified figure may be higher or lower than anticipated.

Mr. Herreshoff also noted that the Towns may not provide less funding than in the previous year this leaving the “decision range” of increase between 0% and 4.5%. He also stated that if the Joint Finance Committee were to add 4.5% to the total budget the District would essentially be level funded due to the State cuts. He further stated that he hoped that quality would be maintained despite the

“big challenge.”

Mr. Bento thanked the Joint Finance Committee and Chairman Barboza for doing “an admirable job” in challenging the plans of Commissioner Gist. He also called for the Joint Finance Committee to hold a second meeting since the Committee has “traditionally” done so; further stating that it should “digest and rethink” the best way to approach the budget.

Mr. Bento also informed the Committee that the Towns were “getting their money’s worth” with the investment in the schools based upon the recent academic and athletic accolades; exceptional property values; and that the overall property tax support in Bristol and Warren is lower than that in Barrington and South Kingstown.

Ms. Campbell suggested that the Joint Finance Committee should consider its investment in the School District as “focusing upon economic development. She noted that the schools were part of the Towns’ infrastructure and that this infrastructure also includes an “educated workforce.”

Ms. Campbell also noted that the 2000 census indicates that 26% of Bristol citizens did not have a high school diploma and that the former drop-out rate at the High School was 36%. She explained that this rate is improving and now at 14%. Ms. Campbell observed that the Town has a “rainy day fund” and suggested that it should be used

to provide funds to the schools.

Chairman Barboza stated that no Towns work harder for economic development.

Keith Azzaro, a High School senior, stated that he was proud to be graduating from Mt. Hope High School and that he was the beneficiary of a high quality education. He informed the Committee that he plans to major in Theater and that he is concerned that funding cuts may damage the school's Theater program.

Jonathan Silva, also a senior, stated that he appreciated the Committee's interest and that it "came across" in its quizzing of Commissioner Gist. He also noted that the High School's reputation has opened doors at better colleges and that his Barrington friends were envious of the programs offered at Mt. Hope.

Fred Wyler (?) who noted that he is the father of two sons asked for a clarification of some of the information presented on the slides. Pauline Silva explained that due to the anticipated State cuts, the District plans to have a deficit even if the Joint Finance Committee agrees to a full 4.5% increase.

Mr. Wyler asked to know the status of the "reserve fund" with Chairman Barboza noting that this fund in Bristol is necessary to maintain a favorable bond rating and also is sometimes needed for

unanticipated expenses and emergencies. Mr. Frerichs added that the same case exists in Warren.

Mr. Wyler asked about mandates with Ms. Parella noting that the local legislative delegation has been very supportive of the concerns of the Towns. She also advises that legislators need to hear directly from citizens regarding their concern for these mandates.

Ms. Tattrie noted that the Towns were challenging some of the unfunded mandates.

Superintendent Thies noted that the “professional organizations” were attempting to get the schools released from certain unfunded mandates and that individuals should get involved in this process also.

The Committee heard from several additional students these being Madison Cardoza, Andrew Karn, Abigail Carney, Heather Francis, Stephanie Cabral, Madison Proulx, Alex O'Hanley, Victoria Carroll, Tom Hanson, Katherine Isakovich, Ricky Sousa, Holly Silva, Elizabeth Cotta, Joe Burns, Olivia DaCosta, Kathleen Costa, Nate Gomes, Mason Francis, and several others unidentified. Most expressed concern that budget reductions would result in the cutback of the arts, music, and extracurricular activities.

Trish Borgia and Carol Anguilla, parents of students, informed the

Committee that they would readily accept a tax increase in favor of the school budget. Ms. Anguilla asked to know if the Committee might revisit the budget once the State aid issues are finalized with Chairman Barboza responding that the Committee cannot revisit its appropriation.

Mr. Silva thanked the Committee for listening to the students. He also stated that the School Committee needs approximately \$2.4 million to replicate the current year's budget due to the planned reductions in State aid. He added that he was aware that the provisions of Senate 3050 preclude the Committee's providing of the \$2.4 million but rather limit the increase to \$1,367,052. He emphasized that the School Committee must make-up over \$1 million and that the School Committee had already found savings of approximately \$500,000.

Mr. Silva reported that he is willing to accept a tax-increase and also that the past ten (10) year relationship between the Joint Finance Committee and School Committee had been good and the previous years were "atrocious."

Chairman Barboza asked to know if the School Committee budget included funds for capital improvements with Mr. Silva responding that the budget did not include capital improvements.

He further explained that only projects in-process will be completed.

Chairman Barboza noted that the Town of Bristol has a capital

improvement budget of \$300,000 reduced from department requests of \$1.5 million.

Chairman Barboza asked to know if the School Committee provided any funds for asset protection with Mr. Silva responding “zero.”

Ms. Lynch thanked Ms. Parella for suggesting that citizens should contact their legislators regarding state aid issues. She also suggested that the Joint Finance Committee should fully fund the schools as allowed by law.

Mr. Marshall stated that he has been a member of the Joint Finance Committee for eight (8) years and that the meetings are difficult since the members cannot provide the funds that they wish that they could. He noted, however, that this year was particularly “inspiring.”

Mr. Marshall also noted that tax rate decisions are always difficult and that last year was “horrible” since persons lost their jobs and took pay cuts.

Ms. Parella agreed that the budget process was a “balancing act.” She added that the Town is looking at ways to be more cost-effective investigating solar and wind energy, etc. She also noted that the Town is committed to providing its necessary services such as fire, rescue and police.

Mr. Herreshoff stated that he witnesses a “great transformation” within the schools noting that those that were at one time considered “poor” in the early 1990s were now performing beyond expectations. He also stated that he did not recall previously hearing from so many students expressing “desirable sentiments” and that the schools “must be doing something right.”

Mr. Herreshoff reminded those present that the communities’ largest investment is their schools. He also repeated that the schools are much better now than in the past.

Mr. Cordeiro echoed the sentiments as noted by Mr. Herreshoff and reminded those present to contact their legislators concerning the State aid formula, etc.

Chairman Barboza stated that he was impressed by the number of interested parties in attendance and willing to speak. He added that he never understood why there would be so few persons in attendance at Joint Finance Committee meetings in the past.

Chairman Barboza announced that the discussion period had ended and asked for a vote of the Committee.

Herreshoff/Parella – Motion to approve an appropriation equal to a three percent (3%) increase over last year’s local appropriation. Voting in favor of this motion were Mr. Herreshoff and Ms. Parella, the

remainder of the Joint Finance Committee members voted opposed. Motion failed.

Barboza/Tattrie – Voted to approve a two percent (2%) increase of \$607,579 over last year's local appropriation equal for a total appropriation of \$52,259,370. Voting in favor of this motion were Mr. Barboza, Mr. Cordeiro, Mr. Frerichs, Mr. Marshall, Ms. Mederos, and Ms. Tattrie. Recorded as abstaining were Mr. Herreshoff and Ms. Parella. Motion carried.

Marshall/Cordeiro – Voted unanimously to adopt the following resolution:

Joint Finance Committee Authorization Motion FY 2010/2011

Whereas, the Joint Finance Committee has the responsibility and authority to bind the Towns of Bristol and Warren to providing for funding adequate for the continued operations of our regional school district based upon our communities' ability to pay, the amount of state and other aid available, the appropriateness of the expenditures shown in the requested budget; and

Whereas, the Joint Finance Committee recognizes the continuing significant educational progress; fiscal responsibility and the commitment and dedication of staff, administration and school committee

Whereas, the Joint Finance Committee is acutely aware of the financial crisis facing our nation, state, and town

Be It Resolved That,

1. The Maximum Expenditure Level of the Bristol Warren Regional School District exclusive of

2. “Grants/” and “State Pension Cost-Funding” is set at \$52,259,370 as follows:

Summary Operations Costs \$49,160,632

Debt Service 3,098,738

Total Authorization \$52,259,370

Estimated Non-local Aid \$21,272,850

Authorized Local Aid \$30,986,520

3. The local contribution is fixed in accordance with the enabling act and in consequence of the October 1, 2008 student population:

Number of Students % of Total Local Appropriation

Warren 1,281 35.79212% \$11,090,733

Bristol 2,298 64.20788% \$19,895,787

Total 3,579 100.00000% \$30,986,520

There being no further business, upon a motion by Ms. Parella, seconded by Mr. Herreshoff and voted unanimously, the Chairman declared this meeting to be adjourned at 10:20 o'clock PM.

Louis P. Cirillo, Secretary Pro-tempore